[Mr. G. Raman Menon.]

(*b*) Will the Government be pleased to make arrangements for ascertaining approximately and publishing the actual value of those items at regular intervals in future?

**MR. K. GEORGE** (*Financial Secretary to Government*): (*a*) & (*b*) It is not clear what is meant by the periodical valuation of a Railway or an Irrigation system. It is impossible to assign present values to the component parts of a Railway or Irrigation system, and capital value should be taken as the total amount spent. The expenditure on the Kodayar Project and the Quilon-Trivandrum Railway are shown as assets in the financial statements because these works were carried out from State funds, both from revenue and from capital.

**MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): Are not these assets liable to depreciation?

**MR. K. GEORGE** (*Financial Secretary to Government*): They are.

**MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): Is it not usual for all such assets to be valued periodically?

**MR. K. GEORGE** (*Financial Secretary to Government*): It is *not* usual in the case of assets of this kind to value them periodically.

**MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): Is it not usual for business firms to do it?

**MR. K. GEORGE** (*Financial Secretary to Government*): Yes, it is.

*Amount of the State Debenture Loan.*

2. **MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): Will the Government be pleased to explain why the amount of the State Debenture Loan is shown as Rs. 14,74,875 on page 4 of the Appropriation Report for 1099, while the amount of loans on page 2 of the Administration Report for 1099 is shown as Rs. 11,37,790?

**MR. K. GEORGE** (*Financial Secretary to Government*): The Major Head "Loans" consists of the following items:—

| | | | | |
|---|---|---|---|---|
| 1. Agricultural Loans | ... | Dr. | Rs. | 3,12,316 |
| 2. Miscellaneous Loans and Advances | ... | ,, | Rs. | 23,669 |
| 3. Industrial Loans | ... | ,, | Rs. | 1,100 |
| | Total | | Rs. | 3,37 085 |
| 4. State Debenture Loan | ... | Cr. | Rs. | 14,74,875 |

Of the above, items 1, 2 and 3 are assets, while item 4 is a liability. In the Appropriation Report for 1099, the assets and liabilities under this Major Head are shown separately, while, in the Administration Report, the *net result* only, which is a liability, is shown under "Liabilities."

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**MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): The answer given is:—

"Of the above, items 1, 2 and 3 are assets, while item 4 is a liability. In the Appropriation Report for 1099, the assets and liabilities under this Major Head are shown separately, while, in the Administration Report, the *net result* only, which is a liability, is shown under 'liabilities'."

Does this mean that the sum of three lakhs thirty seven thousand and odd rupees has been subtracted from the fourteen lakhs and odd?

**MR. K. GEORGE** (*Financial Secretary to Government*): Yes.

*Checking of Accounts in Offices.*

3. **MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): In view of the way in which Mr. Sankaranarayana Aiyar was enabled for a considerable period of time to carry on, undiscovered, his misappropriations of money at the Quilon Treasury, will the Government be pleased to make arrangements for checking the accounts of Treasuries or other institutions, at the time of the audit inspections by the officers of the Account Office with the true copies of the last returns received at the Account Office from the particular institution, and to check promptly each return received at the Account Office with the entries in the previous one relating to the same institution received from the same officer, or from any other officer?

**MR. K. GEORGE** (*Financial Secretary to Government*): No audit of the accounts of a Treasury is undertaken by the Outside Audit Department of the Account Office. The primary object of Treasury inspection is to assist the Revenue authorities, who are responsible for the Treasury management, in establishing a system of Treasury work strictly in accordance with the prescribed rules. The Inspecting Officer is responsible to see that the procedure observed at Treasuries meets all the requirements of audit and that the accounts are properly maintained. It is not intended that the Controlling Authorities should be relieved of their responsibility in the matter of management and inspection and this is clearly laid down in the Account Code. (*Vide* Note 2 to Article 387, Account Code, Part II). However, in addition to the inspection, a test audit is now being done of the receipts of one or two months. For this purpose, the Inspecting Officer is now required to take with him the relevant returns submitted by the Treasury to the Account Office.

The returns received at the Account Office from Treasury and departmental officers are promptly checked and the objections noticed are promptly communicated to the officers concerned.

*Conversion of the Account Office into a Central Account and Audit Office.*

4. **MR. G. RAMAN MENON** (*Mavelikara* cum *Kartikapalli*): (*a*) Will the Government be pleased to state whether any moneys are received in or disbursed from the Account Office directly at present?

(*b*) Will the Government be pleased to convert the Account Office into a Central Account and Audit Office for the finances of the

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